



STATE OF MAINE  
OFFICE OF THE GOVERNOR  
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AUGUSTA, MAINE  
04333-0001

JOHN ELIAS BALDACCI  
GOVERNOR

SENT ELECTRONICALLY

Lawrence E. Strickling  
Administrator  
National Telecommunications and Information Administration  
United States Department of Commerce  
1401 Constitution Ave, NW  
Washington, D.C. 20230

October 14, 2009

Dear Administrator Strickling:

As a geographically large state with a small population, Maine has been especially challenged in providing high-quality, cost-effective broadband service to our homes, businesses and anchor institutions. While our ConnectME Authority has distributed millions in grants to stimulate private investment in broadband in Maine, many parts of our State remain completely unserved or severely underserved.

Robust ARRA funding would provide a critical boost to our local efforts to bring 21<sup>st</sup> century technology to Maine, bringing with it both short-term and long-term economic opportunity.

### **Process for Determining State Recommendations**

Maine received information about seventy-two (72) projects that would potentially touch on services in our State. Fifty-three (53) of the projects offered only peripheral impact, if any, within Maine. With one notable exception (Broadband for the Deaf and Hard of Hearing), we do not wish to provide encouragement for those projects.

Nineteen (19) of the projects specifically provide services to Maine. As the first step in our State review process, the proposals were reviewed and commented upon at public meetings of the "Broadband Strategy Council," which is composed of legislators and a representative of our Public Utilities Commission, the Maine Department of Economic and Community Development, our state Office of Information Technology, our state broadband initiative agency (ConnectME), our University system and the school and library network. As the second step, the ConnectME Authority reviewed and confirmed the Council's recommendations. Public input was invited and provided during both steps of the process.

To prepare final comments, I reviewed the recommendations of the Broadband Strategy Council and ConnectME, and conferred with Dick Thompson, the State's Chief Information Office as well as members of my staff. I want to thank the Broadband



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Strategy Council members for their hard work in a very short time frame. Their analysis and commentary provide the basis for my comments to you.

### **Recommended Projects**

Based on advice from the Broadband Strategy Council and the ConnectME Authority, as well as consultation with Maine's Chief Information Officer, the State strongly recommends that NTIA and/or RUS approve the following grant applications, grouped by funding category and listed in alphabetical order by project name. Attachment A contains a project summary for each and the rationale for our positive recommendation.

#### **Broadband Infrastructure – 4 projects totaling \$38,075,121**

- **Aroostook County Last Mile Project**
- *Fairpoint Communications, Inc (applicant)*
  
- **Chebeague Island Broadband Initiative**
- *Chebeague.net, Inc. (applicant)*
  
- **“Three Ring Binder” Middle Mile Project**
- *Biddeford Internet Corp (d.b.a. GWI) (applicant)*
  
- **Washington/Hancock County Last Mile Project**
- *Fairpoint Communications, Inc (applicant)*

#### **Sustainable Broadband Adoption – 2 projects totaling \$3,436,608**

- **Broadband with a Purpose Maine**
- *Fairpoint Communications, Inc. (applicant)*
  
- **Washington County WiMAX Project**
- *Axiom Technologies (applicant)*

#### **Public Computer Center – 1 project totaling \$1,216,467**

- **Maine Library Learning Network**
- *Maine State Library (applicant)*

### **Projects of Interest**

There were several projects that appeared to have merit in meeting our goal to provide broadband throughout Maine, but we were not able to make a definitive recommendation either because we lacked sufficient information or we had some technical concerns with the proposal. These projects are further described and commented upon in Attachment B.

Last Mile Project  
Motorbrain Consulting (applicant)

Middle Mile Project  
NATVentures, LLC (applicant)

Sustainable Broadband  
NATVentures, LLC (applicant)

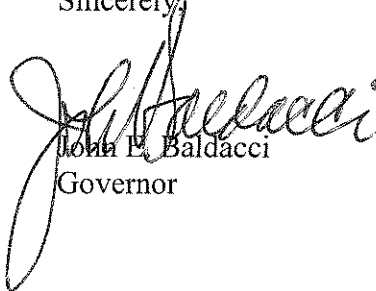
Public Computer Center  
Faith in Action Community Connection (applicant)

Public Computer Center  
Southern Aroostook Cooperative Board of Education (applicant)

If you have questions about our position on any of these projects, please feel free to contact me, or our state point of contact, Dick Thompson.

As you deliberate nationally on the use of ARRA funds for broadband, I hope that we can work together to ensure that projects that you approve will provide a true and long-lasting public benefit.

Sincerely,



John E. Baldacci  
Governor

cc: Ian Martinez

**ATTACHMENT A -- Maine Projects Recommended for Funding**  
**(listed by funding category and alphabetically by project name)**

**Broadband Infrastructure**

**Aroostook County Last-Mile Project (Fairpoint) (\$7,865,817 grant)**

**Summary:** This project will expand high speed broadband to remote, underserved areas of Aroostook County, the northernmost rural county in Maine. This is a last mile project (with some enabling middle mile components) that is critical to the region's competitiveness in a 21st century economy. Northern New England Telephone Operations LLC d/b/a FairPoint Communications-NNE is the co-applicant.

**Comment:** This project strengthens Maine's telecommunications infrastructure by providing critical last mile service to remote and unserved areas in Aroostook County. Funding of the project will accelerate deployment of this service which is so important because these areas are struggling economically. Deployment of this service is absolutely necessary for economic development in the region. As Maine's largest telecommunications provider the applicant is working closely with all of our economic development entities in a collaborative effort to ensure project success.

**Chebeague Island Broadband Initiative (chebeague.net, inc.) (\$73,470 grant and \$75,000 loan)**

**Summary:** The project will extend broadband Internet services to unserved portions of Chebeague Island and will improve bandwidth for the entire Island, which is underserved. In addition, the project will position the system for possible future microwave acquisition of bandwidth and may be used to extend needed cellular telephone service to the Island which, in large part, is unserved.

**Comment:** This is a very modest project to support one of Maine's island communities. The unique locally-organized effort provides service in a community that otherwise would be unserved. We are confident that this previous ConnectME Authority grantee will be able to successfully complete the project as presented.

**"Three Ring Binder" Middle-Mile Project (Biddeford Internet Corp, dba GWI) (\$25,402,904 grant)**

**Summary:** The Three Ring Binder project is a middle mile open-access collaborative fiber optic network in the most rural and remote areas of Maine. This project allows the delivery of 100 Mbits+ broadband connectivity to businesses, households, and community anchor institutions in these areas facilitating rural economic development, job stimulation, education, and health care.

**Comment:** This project would be of great benefit for Maine's long-term infrastructure needs, providing critical middle mile capabilities. It complements the other last mile projects we are recommending for funding. The project supports all elements of our economy: consumers, small businesses, and high speed users in our research and development community. It also leverages other initiatives such as rural health care, cyber infrastructure for the University of Maine and other research institutes, and the Maine School and Library Network. Furthermore, this technology will enhance the provision of service in rural Maine. Using open access, this proposal is a collaboration of multiple partners with long term maintenance of the dark fiber assets managed by a neutral third party. It strengthens Maine's telecommunications infrastructure by providing high speed redundancy and diversity within the state and with regional/national connectors.

**Washington/Hancock Last Mile (Fairpoint) (\$4,732,930 grant)**

**Summary:** This project will expand high speed broadband to remote, underserved areas of Washington and Hancock Counties in northeast Maine. This is a last mile project that is a critical component of the region's economic development plan. FairPoint

Communications, Inc. is the lead applicant, the co-applicant is Northern New England Telephone Operations LLC d/b/a FairPoint Communications - NNE.

**Comment:** This project strengthens Maine's telecommunications infrastructure by providing critical last mile service to remote and unserved areas in Washington and Hancock Counties. Funding of the project will accelerate deployment of this service which is so important because these areas are struggling economically. Deployment of this service is absolutely necessary for economic development in the region. As Maine's largest telecommunications provider the applicant is working closely with all of our economic development entities in a collaborative effort to ensure project success.

### **Sustainable Broadband Adoption Projects**

#### **"Broadband with a Purpose" (Fairpoint) (\$1,802,384 grant)**

**Summary:** Broadband with a Purpose-Maine will help the people and institutions of rural Maine understand how broadband can be used to access global resources, work more productively, and enjoy the social benefits of being connected. It is designed to replace the "build it and they will come mentality" with a project based learning approach emphasizing the value of broadband.

**Comment:** Sustainable adoption efforts are very important to increase the take rate and so this project is well targeted. The application presents a defined plan and time table to achieve results with measurable outcomes. It includes important partnerships with the Economic Development Districts and the Maine Community College System and a relationship with Information Technology Exchange (ITE) to provide low cost computers to low income families.

#### **Washington County WiMAX (Axiom Technologies) (\$1,634,224 grant)**

**Summary:** The Washington County WiMAX Project focuses on helping the fishing, agricultural, and health care sectors develop and demonstrate the effective uses of the technology. An education and training program for the fishing and farming industry will be implemented, and a pilot program will be developed for the use of a mobile telemedicine system.

**Comment:** Axiom Technology is a small Maine based business that has successfully deployed services with funding received from the ConnectME Authority. The project takes a holistic approach, attacking many of the issues holding back development of infrastructure and demand in Washington County, one of our poorest counties. This project provides a sustainability model for two of Maine's natural resource-based industries, farming and fishing, which are challenged. The company is planning to collaborate with the University of Maine - Machias to achieve the goals of the project.

### **Public Computer Center**

#### **Maine Library Learning Network (Maine State Library)(\$1,216,467 grant)**

**Summary:** The ME Library Learning Network creates eight regional and eleven local public library computer centers equipped with computers, accessible workstations and IP-based video conference technology. These centers will expand access to broadband technology in Maine, and provide access and training for rural and un-served communities, small businesses, an aging population, and people with disabilities.

**Comment:** As a public computer center initiative, this application enhances capabilities at eight regional and eleven local libraries located in remote parts of Maine. In these communities, libraries are the key anchor institutions. The project complements other efforts to deploy broadband technology and supports those households who can not afford computers or broadband access. This is critical because many essential services are available online such as: health care information, education, financial planning, job-searches, online banking, and e-government services.

## **ATTACHMENT B -- Maine Projects of Interest (listed alphabetically by project name)**

### **Faith in Community Connection**

**Summary:** Faith in Action is partnering with the Downeast Family YMCA to operate a Senior Center in the recently closed middle school building in Ellsworth. The YMCA will operate their childcare programs there, while Faith in Action operates programs for seniors in the same building, sharing some space. The grant would allow the organizations to provide computer classes for senior and broadband access that can also be used by children and families.

**Comment:** While this project has some merit, more information was needed to answer a number of questions such as: what is the long term sustainability of the effort once the grant is exhausted; is the project fulfilling an unmet need; and what problem needs to be solved?

### **Motorbrain Consulting**

**Summary:** Motorbrain will provide HughesNet high-speed satellite Internet service to 3400 unserved Maine homes and businesses where there are no existing broadband services available for a period of 24 months at no cost to the consumer. Through a collaborative effort with rural municipalities, they will identify last-mile consumers where cable Internet and DSL are not available.

**Comment:** Satellite service can provide a benefit to very remote households and businesses in Maine that have no other options. Satellite services do not currently qualify for grants by the ConnectME Authority, which has concerns about the technical quality and reliability of current services. However, satellite services appear to qualify for NTIA grants, and as an intermediate step towards more robust service, would be of benefit to some homes and businesses in Maine.

### **NATVentures (2 applications)**

**Summary:** To expand high speed broadband to rural, underserved areas of Maine, including all Native American Tribal lands within Maine; also a public computer center project.

**Comment:** The State of Maine is interested in supporting its Native American tribes which are located in remote, economically challenged regions of Maine. Unfortunately the material provided did not contain sufficient detail for the Council to make a thorough evaluation.

### **Southern Aroostook Cooperative Board of Education**

**Summary:** On behalf of its partners, Region Two School of Applied Technology is requesting funds to expand computing facilities at 17 sites throughout the state of Maine. The goal of this project is to enhance educational services for adult community members at regional vocational and technical schools by expanding access to broadband.

**Comment:** This proposal does not define an enduring or measurable benefit or a means to achieve a sustainable program once the grant is exhausted. Although there is a focus on retraining displaced workers, it is unclear how this would be coordinated with other retraining efforts. In addition the lack of detail regarding the need and programs prevent a thorough review.

## **ATTACHMENT C -- Maine Projects Not Recommended for Funding**

### **USA Webhost**

**Summary:** WiME I is a proof of concept of 4G as an access network technology for rural Maine, and of naming and associations over IPv6 as a link characteristic-informed, locality-aware technology.

**Comment:** This proof of concept project is not aligned with the Council's or ConnectME Authority's vision. Long term viability is questionable as it is not clear how the pilot project would transition into a sustainable service.

### **USA Webhost**

**Summary:** Reverse 911 services that allow municipalities to enhance their emergency notification processes with massive simultaneous dial out of emergency calls to both broadband consumers in normal or catastrophic conditions.

**Comment:** This pilot project is not aligned with the Council's or ConnectME Authority's vision and it is not clear that the proposed service fits the RUS/BIP criteria. The direct connection to middle mile infrastructure improvements is not demonstrated.

### **Vanu Coverage Co. (3 applications with the same coverage area)**

**Summary:** Vanu Coverage Co. proposes to deploy a multi-standard wireless network and operate as a wholesale provider to existing retail wireless operators. This approach would bring voice and broadband data, as well as service provider choice, to unserved and underserved areas in Vermont, New Hampshire, New York, and Maine where broadband deployments previously have been cost-prohibitive.

**Comment:** The three Vanu applications may be an interesting idea but are multistate applications and it is unclear what portions are allocated to Maine. The project relies on as yet uncommitted retail carriers to provide household subscriber service. Furthermore cellular service does not currently meet the ConnectME Authority's definition of broadband service.